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County of Los Angeles
DEPARTMENT OF CHILDREN AND FAMILY SERVICES

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REVISED

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April 21, 2009

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**REQUESTING APPROVAL TO AMEND 33 WRAPAROUND APPROACH SERVICES
CONTRACTS TO EXTEND THE TERM AND EXPAND THE DELIVERY OF SERVICES TO
ADDITIONAL CLIENTS TO COMPLY WITH KATIE A.
(ALL SUPERVISORIAL DISTRICTS AFFECTED) (3 VOTES)**

SUBJECT

The Department of Children and Family Services (DCFS), the Department of Mental Health (DMH), and the Probation Department (Probation) are requesting approval to amend a total of 33 of the current Wraparound Approach Services (Wraparound Services) contracts to extend the contract term for up to five (5) years beginning May 1, 2009, and expand the delivery of service to additional clients utilizing a multi-tiered system to comply with the Katie A. Settlement Agreement.

**JOINT RECOMMENDATION WITH THE DIRECTOR OF THE DEPARTMENT OF MENTAL
HEALTH AND THE CHIEF PROBATION OFFICER THAT YOUR BOARD:**

1. Approve Form Amendment (Attachment A) to 32 of the current Wraparound Services contracts (Attachment D). This will allow the County to continue to provide Wraparound Services under a service level now known as **Tier I** and add a second service level, **Tier II**. It will extend these current contracts up to five (5) years beginning May 1, 2009 through April 30, 2010, with four (4) one-year options to extend. The estimated cost for the five-year term of the contracts, assuming all one-year extension options are exercised, is \$430,132,000, (**Tier I**: \$351,456,000 plus **Tier II**: \$78,676,000). **Tier I** is partially financed using Board-approved net County cost (NCC) for the Katie A. Corrective Action Plan (CAP) (\$64,370,000), and the remaining \$287,086,000 will be financed using 36 percent (\$103,351,000) Federal funds, 33 percent (\$94,738,000) State funds and 31 percent (\$88,997,000) NCC. The estimated cost for **Tier II** is \$78,676,000 and will be financed using 100 percent Board-approved NCC for the Katie A. Strategic Plan. Sufficient funding is included in the

"To Enrich Lives Through Effective and Caring Service"

Fiscal Year (FY) 2008-09 Adopted Budget and the FY 2009-10 Proposed County Budget.

2. Approve the Form Amendment (Attachment B) to 15 of the current Wraparound Services contracts (Attachment D). This amendment will expand Wraparound Services to additional clients through **Tier II-Full Service Partnership (Tier II-FSP)** Wraparound Services for the five-year period requested in Attachment A. The estimated cost for the five-year term of the contracts, assuming all one-year extension options are exercised is \$49,630,000 and is financed using approximately 20 percent (\$10,092,000) State Mental Health Services Act (MHSA) funds and approximately 80 percent (\$39,538,000) Board-approved NCC for the Katie A. Strategic Plan. Sufficient funding is included in the FY 2008-09 Adopted Budget and the FY 2009-10 Proposed County Budget.
3. Delegate authority to the Directors of DCFS and DMH and the Chief Probation Officer, or their designees, to execute the Form Amendments substantially similar to Attachments A and B with the designated Wraparound Services contractors in Attachment D.
4. Delegate authority to the Directors of DCFS and DMH and the Chief Probation Officer, or their designees, to execute amendments (Attachment B) to add **Tier II-FSP** Wraparound Services, if needed, to remaining Wraparound Services contracts of those contractors who may be eligible to provide these services at a later date, provided that the Director of DCFS notifies your Board and the Chief Executive Office (CEO) in writing within ten (10) working days of execution of such amendments.
5. Delegate authority to the Director of DCFS, or designee, to exercise the options to extend the contracts as requested in Attachments A and B, by written notice provided that: (a) sufficient funding is available; (b) prior Director of DMH, Chief Probation Officer, and CEO approvals are obtained; and (c) the Director of DCFS notifies your Board and the CEO in writing within ten (10) workdays of issuing the written notice.
6. Approve the Form Contract (Attachment C) and delegate authority to the Directors of DCFS and DMH and the Chief Probation Officer, or their designees, to execute new contracts, substantially similar to the Form Contract, with additional contractors who qualify to provide **Tier I** and **Tier II** Wraparound Services, or who qualify to provide **Tier I, Tier II, and Tier II-FSP** Wraparound Services, using the extended Request for Statement of Qualification (RFSQ) approved by the California Department of Social Services, to meet the needs of additional services as required by the Katie A. Strategic Plan, and to ensure that all Wraparound Service needs are covered in all Service Planning Areas (SPAs) in the County during the five-year term of the contracts, provided that: (a) sufficient funding is available; (b) the contracts are procured in compliance with applicable Federal and State procurement regulations, and County contracting policies; (c) prior County Counsel and CEO approvals are obtained; and

- (d) the Director of DCFS notifies your Board and the CEO in writing within ten (10) working days of execution of such contracts.
7. Delegate authority to the Director of DCFS, or designee, to extend the Wraparound Services contracts up to six (6) months by written notice, if necessary, to complete a new solicitation process or contract negotiations provided that: (a) sufficient funding is available; (b) applicable State and Federal regulations are observed; (c) prior Director of DMH, Chief Probation Officer, and CEO approvals are obtained; and (d) the Director of DCFS notifies your Board and the CEO in writing within ten (10) workdays of issuing the written notice.
 8. Delegate authority to the Director of DCFS, or designee, to execute amendments to the current Wraparound Services contracts to increase or decrease the Maximum Annual Contract Sum by no more than ten percent of the Maximum Contract Sum, if necessary, to accommodate any unanticipated increase or decrease in units of service provided that: (a) sufficient funding is available; (b) prior County Counsel, CEO, Director of DMH, and Chief Probation Officer approvals are obtained; and (c) the Director of DCFS notifies your Board and the CEO in writing within ten (10) working days of execution of such amendments.
 9. Delegate authority to the Director of DCFS, or designee, to execute amendments to the current Wraparound Services contracts for non-material changes provided that: (a) prior County Counsel, CEO, Director of DMH, and Chief Probation Officer approvals are obtained; and (b) the Director of DCFS notifies your Board and the CEO in writing within ten (10) working days of execution of such amendments.
 10. Approve Form Amendment (Attachment A) to Personal Involvement Center (PIC) on a month to month basis effective May 1, 2009, not to exceed six months or October 31, 2009. This will allow PIC to continue providing Wraparound Services while a more thorough analysis of their financial viability is completed. Should PIC be found financially viable, the Directors of DCFS and DMH, and the Chief Probation Officer shall have delegated authority to modify and execute Form Amendment (Attachment A) to extend the PIC Wraparound Services contract for the remaining contract term until April 30, 2010.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

The recommended actions will allow the County to continue and expand Wraparound Services and will ensure County compliance with the Katie A. Settlement Agreement and the Katie A. Strategic Plan. The current Wraparound Services contracts began on May 1, 2006 and expire on April 30, 2009. Approval of the recommended actions will continue an expanded delivery of Wraparound Services through April 30, 2014. On October 16, 2008, your Board approved the Katie A. Strategic Plan that redesigned Wraparound Services into a tiered system of service delivery. A primary change in the service delivery is that each child enrolled receives an individualized plan of care developed by a personalized child and family team. The team remains assigned to the same child in order to monitor the child's progress

and meet the child's needs until the child graduates from, or terminates participation in, the Wraparound program. No longer will a child work with different teams as needs change. Based on DCFS data, a greater number of children with psychiatric, emotional or behavioral problems have been better served under the Wraparound program.

Children are eligible for **Tier I** Wraparound Services if they meet any one of the following criteria: (1) adjudicated as either a dependent or ward of the Juvenile Court pursuant to the Welfare and Institutions Code, Sections 300, 601, or 602 or is qualified under Chapter 26.5 of the Government Code (AB 3632) and who is currently placed in, or at imminent risk of placement within the next 30 days in a group home at Rate Classification Level (RCL) 10 or above; or (2) currently placed in a RCL 10 or above and is within 60 days of returning to the community. Children eligible for **Tier II** and **Tier II-FSP** Wraparound Services must have an open DCFS case, qualify for Early Periodic Screening, Diagnostic, and Treatment (EPSDT) and have an urgent and/or intensive mental health need, which causes impairment at school, home and/or the community.

The goal of Wraparound Services is to safely stabilize children with multiple, complex and enduring needs, by achieving the following minimum performance targets: (1) 90 percent of the children receiving Wraparound Services do not have another substantiated allegation of abuse or neglect within one (1) year of enrollment; (2) 50 percent of children receiving Wraparound Services function at grade level or show improved grade-level functioning; (3) 75 percent of children receiving Wraparound Services maintain at least an 80 percent school attendance rate or show improved school attendance; (4) 75 percent of Wraparound program graduates live with their parents, relatives, or legal guardians, and remain with them six (6) months after graduation; (5) 85 percent of families whose children graduate from the Wraparound program continue using community-based services and support six (6) months after graduation; and (6) 94 percent of the children receiving Wraparound Services do not have another substantiated allegation of abuse or neglect within one (1) year after graduating. DCFS will review monthly, quarterly and annual reports submitted by each contractor to ensure contract compliance and achievement of desired program results.

If the recommended actions are not approved, Wraparound Services would not be continued or expanded, and DCFS will not comply with the Katie A. Settlement Agreement, which will result in placing children with critical needs in out-of-home care or limiting permanent placement options for them.

This Board letter does not comply with your Board's policy of timely filing due to budgetary reassessment to support the expansion of mental health services associated with the Wraparound program.

Implementation of Strategic Plan Goals

The requested actions are consistent with the principles of the Countywide Strategic Plan Goal No. 2 - Children, Family and Adult Well-Being; and Goal No. 4 - Health and Mental Health. The recommended actions will enable DCFS to continue its effort on achieving social and emotional well-being for children with mental health needs and their families.

FISCAL IMPACT

The estimated cost for the five-year term of the contracts, assuming all one-year extension options are exercised, is \$430,132,000, (**Tier I:** \$351,456,000 plus **Tier II:** \$78,676,000).

The estimated cost for the five-year term of the contracts for **Tier I** Wraparound Services, assuming all one-year extension options are exercised, is \$351,456,000. The five-year total cost of **Tier I** Wraparound Services is partially financed using Board-approved NCC for the Katie A. CAP (\$64,370,000), and the remaining \$287,086,000 will be financed using 36 percent (\$103,351,000) Federal funds, 33 percent (\$94,738,000) State funds and 31 percent (\$88,997,000) NCC.

The estimated annual cost of the contracts for **Tier I** Wraparound Services is \$70,291,000, of which \$12,874,000 will be financed using Board-approved NCC for the Katie A. CAP, and the remaining \$57,417,000 will be financed using 36 percent (\$20,670,000) Federal funds, 33 percent (\$18,948,000) State funds and 31 percent (\$17,799,000) NCC.

The estimated FY 2008-09 (May and June) cost of the contracts for **Tier I** Wraparound Services is \$11,715,000, of which \$2,146,000 will be financed using Board-approved NCC for the Katie A. CAP, and the remaining \$9,569,000 will be financed using 36 percent (\$3,445,000) Federal funds, 33 percent (\$3,158,000) State funds and 31 percent (\$2,966,000) NCC.

The estimated FY 2009-10 cost of the contracts for **Tier I** Wraparound Services is \$70,291,200, of which \$12,874,000 will be financed using Board-approved NCC for the Katie A. CAP, and the remaining \$57,417,000 will be financed using 36 percent (\$20,670,000) Federal funds, 33 percent (\$18,948,000) State funds and 31 percent (\$17,799,000) NCC.

The estimated cost for the five-year term of the contracts for **Tier II** Wraparound Services, assuming all one-year extension options are exercised, is \$78,676,000 and will be financed using 100 percent Board-approved NCC for the Katie A. Strategic Plan. The annual cost of the contracts for **Tier II** Wraparound Services is detailed on Attachment E.

The estimated FY 2008-09 (May and June) cost of the contracts for **Tier II** Wraparound Services is \$94,000 and will be financed using 100 percent Board-approved NCC for the Katie A. Strategic Plan.

The estimated FY 2009-10 cost of the contracts for **Tier II** Wraparound Services is \$3,906,000 and will be financed using 100 percent Board-approved NCC for the Katie A. Strategic Plan.

The estimated cost for the five-year term of the contracts for **Tier II-FSP** Wraparound Services, assuming all one-year extension options are exercised, is \$49,630,000 and will be financed using approximately 20 percent (\$10,092,000) State MHSA funds and approximately

80 percent (\$39,538,000) Board-approved NCC for the Katie A. Strategic Plan. The annual cost of the contracts for **Tier II-FSP** Wraparound Services is detailed on Attachment F.

The estimated FY 2008-09 (May and June) cost of the contracts for **Tier II-FSP** Wraparound Services is \$187,000 and will be financed using approximately 20 percent (\$38,000) State MHSA funds and approximately 80 percent (\$149,000) Board-approved NCC for the Katie A. Strategic Plan.

The estimated FY 2009-10 cost of the contracts for **Tier II-FSP** Wraparound Services is \$6,375,000 and will be financed using approximately 20 percent (\$1,296,000) State MHSA funds and approximately 80 percent (\$5,079,000) Board-approved NCC for the Katie A. Strategic Plan.

A payment rate for **Tier I** Wraparound Services was established in the amount of \$4,184 per child/youth participant slots, per month. The rate is reduced by any out-of-home placement costs if a child is in out-of-home care while receiving Wraparound Services. A payment rate for **Tier II** and **Tier II-FSP** Wraparound Services was established in the amount of \$1,250 per Slot, per month with no reduction for any out-of-home placement costs. Each Wraparound Services contractor will continue to pool its funds for all of its occupied slots to create a single flexible fund to cover the costs of needed interventions for all Wraparound Services children. Contributions that were originally made by DCFS to the Multi-agency County Pool (MCP) were discontinued as of July 2007, as indicated in Amendment One. However, the Wraparound Services contractors must return their surplus funds, as identified by the County, for deposit into the MCP. Any remaining MCP funds will continue to be utilized until they are fully depleted.

Sufficient funding is included in the FY 2008-09 Adopted Budget and the FY 2009-10 Proposed County Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On October 10, 2000, your Board approved Wraparound Services contracts for SPAs 2 and 3 for "Phase I" of the Wraparound program. On November 13, 2001, your Board approved additional Wraparound Services contracts under "Phase II" of the Wraparound program expansion so that all SPAs receive Wraparound Services. Then on April 18, 2006 and May 30, 2006, your Board approved contracts for Wraparound Services through April 30, 2009. The Wraparound program was developed as the result of the Title IV-E Waiver of the Social Security Act that permitted flexibility in the use of Aid to Families with Dependent Children-Foster Care (AFDC-FC) funds. On October 8, 1997, Senate Bill 163 was passed authorizing the extension of the Wraparound pilot project to all counties in California.

On July 18, 2002, a class-action lawsuit entitled Katie A. et al. v. Diana Bonta et al. was filed against the State and County alleging serious shortfalls in the mental health screening and treatment of children in the County's foster care system. In July 2003, the County entered into a settlement agreement resolving the County-portion of the lawsuit. On October 11,

2005, your Board approved the Enhanced Specialized Foster Care Mental Health Services Plan (County Plan), calling for a number of system improvements to better meet the needs of these children. In August 2007, your Board approved the Katie A. CAP that modified the County Plan by adding a series of refined screening systems and several provisions to add or expand mental health services. This included intensive, in-home mental health services under the Wraparound program. On October 14, 2008, your Board approved the Katie A. Strategic Plan authorizing the implementation on methods to improve the Board-approved County Plan and the Katie A. CAP.

In order to implement the Katie A. Strategic Plan, DCFS requested the State's approval of the recommended actions specified in this Board letter. DCFS' request dated December 12, 2008 was approved by the California Department of Social Services on January 29, 2009. The tiered system of service delivery will be implemented by execution of the proposed amendments. **Tier I** targets children and youth (1,400 slots max) who are either 1) residing in a RCL 10 or greater facility, but who are within 60 days of returning to the community, or 2) classified as being at imminent risk of placement in a RCL 10 or above placement within the next 30 days. **Tier II** and **Tier II-FSP**, which targets all DCFS children and youth with intensive mental health needs and with a targeted total enrollment cap of 2,800 slots, categorized in subsets of 2,051 slots for **Tier II** and 749 slots for **Tier II-FSP** by the end of five (5) years, is identified under the Katie A. Strategic Plan. The Wraparound program is now designed to expand to a total of 4,200 slots at the end of the five-year term of the contracts.

The Form Contract does not financially obligate DMH to a specific level of mental health services. DMH utilizes their Legal Entity Agreements to contract with contractors at a level of service for which funding is available. The recommended actions are not intended to limit any authority previously delegated to the Director of DMH regarding modifications to any contracts between DMH and the Wraparound Services providers mentioned in this Board letter, and regarding any Katie A. activities by DMH.

The 33 current Wraparound Services contractors are in compliance with all Board and CEO requirements.

This Board letter and Form Amendments were reviewed and approved by DMH and the Probation Department. The Board letter and Form Amendments were reviewed by the CEO and County Counsel. The Form Amendments were approved by County Counsel as to form.

CONTRACTING PROCESS

The current Wraparound Services contracts were awarded as a result of the RFSQ released in December 2005, which resulted in the current Wraparound Services contracts. To respond to the program growth during the initial three-year term of the contracts, the RFSQ was designed to be an open-ended solicitation with subsequent periods for Statement of Qualification (SOQ) submission through April 30, 2009. DCFS received State approval to extend the RFSQ for five (5) years to include additional SOQ submission periods to support further program growth through April 30, 2014. DCFS continues to review the service needs

in all SPAs and intends to open the next SOQ submission period during the last quarter of 2009.

No additional contracting process was necessary in the preparation of the Form Amendments for **Tier I** and **Tier II** Wraparound Services (Attachment A) and **Tier II-FSP** (Attachment B) Wraparound Services. The fifteen (15) current Wraparound Services contractors were qualified to provide **Tier II-FSP** Wraparound Services based on DMH's 2005 RFSQ for MHSA-FSP services. DCFS requested and received State approval on January 29, 2009 to negotiate amendments for the recommended actions.

The Department has evaluated these services and determined that the Living Wage Program (County Code Chapter 2.201) does not apply to the contracts.

The Department has determined that the Cost-of-Living Adjustment (COLA) provision does not apply to the Contracts.

IMPACT ON CURRENT SERVICES

The recommended actions, if approved, will allow the continuation of Wraparound Services and implement the actions of the Katie A. Strategic Plan per the County Plan and CAP. The expanded services will allow the continuation of Wraparound Services to a greater number of children who otherwise would not have been previously eligible. The changes through these actions will assist in the enhancement of the State's overall child foster care system for an improved system of delivery.

CONCLUSION

Upon approval and execution of these requests by the Board of Supervisors, it is requested that the Executive Officer of the Board be instructed to send an adopted stamped copy of this Board letter and attachments to:

1. Department of Children and Family Services
Contracts Administration
Walter Chan, Manager
425 Shatto Place, Room 400
Los Angeles, CA 90020
2. Department of Mental Health
Contracts Development and Administration
Richard Kushi, Chief
550 South Vermont Avenue
Los Angeles, CA 90020
3. Probation Department
Contracts and Grants Management Division
Tasha Howard, Director
9150 East Imperial Highway
Downey, CA 90242
4. Office of the County Counsel
Social Services Division
Diane Cachena, Paralegal
648 Kenneth Hahn Hall of Administration
500 West Temple Street, Suite 602
Los Angeles, CA 90012

Respectfully submitted,



Patricia S. Ploehn, LCSW, Director
Department of Children and Family Services



Marvin J. Southard, DSW, Director
Department of Mental Health



Robert B. Taylor, Chief Probation Officer
Probation Department

PSP:TM:SK:CM
WC:RR:MW

Attachments (6)

c: Chief Executive Officer
County Counsel
Department of Mental Health
Probation Department